

Employee Stock Option Plan 2021

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1. Name, Objective and Term of the Plan

1.1 This Employee Stock Option Plan shall be called ‘Employee Stock Option Plan 2021’ (“ESOP 2021”/ “Plan”).

1.2 ESOP 2021 is established with effect from 31st October, 2021 on which the Shareholders have approved the Plan by way of a special resolution and shall continue to be in force until (i) its termination by the Board or the Nomination & Remuneration Committee of Board as authorized or (ii) the date on which all of the Employee Stock Options available for issuance under the ESOP 2021 have been issued and exercised, whichever is earlier.

1.3 The Board of Directors or the Nomination & Remuneration Committee of the Board as authorized may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOP 2021.

2. Definitions and Interpretation

2.1 Definitions

In this plan, except where the context otherwise requires, the following expressions or terms shall have the meaning indicated there against.

- i. **“Administrator”** shall mean the Nomination and Remuneration Committee of the Board that administers the Plan through itself.
- ii. **“Applicable Law”** means every law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021, and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any Stock Exchange on which the Shares of the Company are listed or quoted.
- iii. **“Beneficiary or Nominee”** means the person or persons, designated by the Option grantee, or in the absence of any designation by the Option grantee, a person or persons who is/are entitled by the will or probate of the option grantee to receive the benefits specified in the Plan, the legal heirs of the Option grantee, if the option grantee dies intestate and includes the Option grantee’s executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by the

nomination form in the exercise of any powers conferred under the Plan or any other agreements forming part thereof.

- iv. **“Board”** means the Board of Directors of the Company.
- v. **“Cause”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board after giving the Employee an opportunity of being heard:
 - (i) Gross misconduct (generally this includes any fundamental breach of contract or conduct which brings the Company/the Board or the Chairman in to disrepute/disgrace);
 - (ii) Material breach of safety rules;
 - (iii) Conviction by any court of law or any other adjudicating authority;
 - (iv) Theft (whether before or after the date of employment contract);
 - (v) Fraud (whether before or after the date of employment contract);
 - (vi) Being under the influence of alcohol or drugs or similar substances, during the work hours or working periods;
 - (vii) Violation of material Terms of Employment or flagrant/blatant failure to follow Company’s policies, procedures and regulations;
 - (viii) Willful and continued failure to substantially perform duties with the Company (other than such failure resulting from being disabled), within reasonable period of time after a written demand/notice for substantial performance is delivered to Employee by the Board, wherein demand/notice specially identifies the manner in which the Board believes that the Employee has not substantially performed such duties;
 - (ix) Willful engaging in conduct which is demonstrably and materially injurious to the Company or any of its subsidiaries/associates, monetarily or otherwise;
 - (x) Engaging (whether before or after the date hereof) in egregious/grave misconduct involving serious moral turpitude to the extent that, in the reasonable judgment of the Board, Employee credibility and reputation no longer conform to the standards of the Company’s executives/Employees;
 - (xi) Willful acts that undermine the Company’s reputation or competitiveness after a written demand/notice is delivered to Employee by the Board, wherein demand/notice specially identifies the manner in which the Board believes that Employee

has acted such as to undermine the Company's reputation or competitiveness:

- (xii) Any particulars provided by Employee or any of the representations or warranties being made are untrue.

- vi. **“Companies Act”** means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof.
- vii. **“Company”** means ‘MITCON Consultancy & Engineering Services Limited’, a company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at First Floor, Kubera Chambers, Shivajinagar, Pune - 411 005.
- viii. **“Company’s Policies/Terms of Employment”** means the Company’s policies for Employees and the terms of employment as contained in the employment letter/contract, which includes provisions for securing Confidentiality, Non-Compete and Non-Poaching of other Employees and customers.
- ix. **“Director”** means a Member of the Board of the Company.
- x. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Nomination & Remuneration Committee for granting the Employee Stock Options to the employees.
- xi. **“Employee”** means (i) a permanent employee of the Company working in India; or (ii) a Director excluding Independent Director of the Company whether whole-time or not; or (iii) an employee defined in Sub-clauses (i) and (ii) hereof of one or more Subsidiary Companies in India, whether present or future, and of Holding Company but does not include:
 - a. a Director who either by himself/herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.
- xii. **“Employee Stock Option”** means the option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase at a future date the Shares underlying the option at a pre-determined price.
- xiii. **“Equity Shares”** means fully paid-up Equity Shares of the Company of face value of Rs. 10 (Rupee Ten) each.
- xiv. **“ESOP 2021”** means the Employee Stock Option Plan 2021 under which the Company is authorized to grant Employee Stock Options to the Employees.
- xv. **“Exercise”** means making of an application by an Employee to the Company for issue of Equity Shares, against Vested Options in pursuance of the ESOP 2021, in accordance with the procedure laid down by the Company for such exercise.

- xvi. **“Exercise Period”** means such time period after Vesting within which the Employee should exercise his right to apply for shares against the vested options in pursuance of the ESOP 2021.
- xvii. **“Exercise Price”** means the price payable by an Employee for exercising the Options granted to him in pursuance of the ESOP 2021.
- xviii. **“Grant”** means issue of Options to the Employees under the ESOP 2021.
- xix. **“Grant Date”** means the effective date of the grant as approved by the Board/ Committee.
- xx. **“Nomination & Remuneration Committee”** means the Committee constituted by the Board from time to time, as per the requirements of Applicable Laws, to administer and supervise the Plan and other employee benefit Schemes, with a constitution of three or more non-executive Directors of which not less than one half shall be Independent Directors.
- xxi. **“Option”** means Employee Stock Option within the meaning of this Plan.
- xxii. **“Option Grantee”** means an Employee who has been granted an Employee Stock Option in pursuance of the ESOP 2021.
- xxiii. **“Permanent Incapacity”** means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Nomination & Remuneration Committee based on a certificate of a medical expert identified by the Company.
- xxiv. **“Plan”** means ESOP 2021 within the meaning of this Plan.
- xxv. **“Relative”** shall have the same meaning as defined under Section 2 (77) of the Companies Act, 2013.
- xxvi. **“Relevant Date”** means:
 - (a) In the case of a grant, the effective date of the grant; or
 - (b) In the case of an exercise, the date on which the request/ notice of exercise is given to the Company by the employee.
- xxvii. **“Retirement”** means retirement as per the rules of the Company.
- xxviii. **“SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended and re-enacted from time to time and includes any clarifications or circulars issued thereunder.
- xxix. **“Shares”** means Equity Shares of the Company within the meaning of this Plan.

- xxx. **“Stock Exchange”** means the National Stock Exchange of India Ltd. (NSE) or any other Stock Exchange in India on which the Company’s Shares are listed or to be listed in future.
- xxxi. **“Subsidiary Company”** shall have the meaning as defined under Section 2 (87) of the Companies Act, 2013.
- xxxii. **“Termination Date”** means the date of termination of employment with the Company.
- xxxiii. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.
- xxxiv. **“Vesting”** means earning by the Option Grantee, of the right to exercise the Options granted to him in pursuance of the ESOP 2021.
- xxxv. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- xxxvi. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.
- xxxvii. **“Vesting Period”** means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of ESOP 2021 takes place.

2.2 **Interpretation**

In this Plan, unless the contrary intention appears:

- (i) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- (ii) a reference to a clause number is a reference to its sub-clauses;
- (iii) words in singular number include the plural and vice versa;
- (iv) words importing a gender include any other gender; and
- (v) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

Words and expressions used and not defined herein but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, 2013, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation.

3. **Authority**

- 3.1 The Shareholders by way of Special Resolution dated 31st October, 2021 have authorized the Company to issue to the Employees under ESOP 2021, not exceeding 6,70,000 (Six Lakhs Seventy Thousand) Employee Stock Options convertible into not

- more than 6,70,000 (Six Lakhs Seventy Thousand) Shares of face value of Rs. 10/- (Rupees Ten) each fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such issue.
- 3.2 If the number of Options that may be offered to any specific employee shall exceed 1% or more of the issued capital (excluding warrants & conversion) of the Company at the time of grant of options, then the Company will take prior approval from shareholders of the Company.
- 3.3 If an Employee Stock Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Employee Stock Options pool and shall become available for future grants, subject to compliance with the provisions of the Applicable Laws.
- 3.4 In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of divisions, change in capital structure and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling on the number of options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.
- 3.5 In case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the exercise price payable by the option grantees under the ESOP 2021 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.
- 4. Administration**
- 4.1 The ESOP 2021 shall be administered by the Nomination & Remuneration Committee in accordance with the Applicable Law. All questions of interpretation of the ESOP 2021 shall be determined by the Nomination & Remuneration Committee and such determination shall be conclusive and binding on all the parties concerned (including, but not limited to Grantees and/or their beneficiaries or successors).
- 4.2 The Administrator shall, inter alia, do the following:
- (i) Adopt rules and regulations for implementing the Plan from time to time;
 - (ii) The Eligibility Criteria for grant of Employee Stock Options to the Employees;
 - (iii) The quantum of Employee Stock Options to be granted under the ESOP 2021 per Employee;

- (iv) Terms and conditions in respect of grant to, vest in and exercise of Options by the Employees which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP 2021;
- (v) The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split, stock consolidation, rights issues, bonus issues and others;
- (vi) The procedure and terms for the Grant, Vest and Exercise of Employee Stock Options in case of employees who are on long leave;
- (vii) the procedure for Vesting in case of termination of employment, if required;
- (viii) Administer and reconcile any inconsistency in the Plan; and
- (ix) Perform such other functions and duties as shall be required under the Applicable Law.

5. Eligibility and Applicability

- 5.1 The persons eligible to participate in the Plan shall be as permitted by the Applicable Law.
- 5.2 The selection criteria for Option Grantees shall be determined by the management of the Company, and approved by the Board.

6. Vesting Schedule and Vesting Conditions

- 6.1 Options granted under ESOP 2021 would vest not earlier than **one year** and not later than **five years** from the date of grant of such Options.
- 6.2 Vesting of Options would be subject to continued employment with the Company provided the employee has not served any notice of resignation and/ or the attainment of specified performance objectives.

The Nomination & Remuneration Committee may also specify certain performance parameters, detailed terms and conditions relating to such performance based vesting, the proportion in which options granted would vest and/or lock in period subject to which the Options would vest.

The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document(s) given to the Option Grantee at the time of grant of Options.

7. Exercise

7.1 Exercise Price:

- (i) Exercise Price shall be determined by the Administrator in accordance with the Applicable Law.

7.2 **Exercise Period:**

(a) While in employment:

- (i) The Exercise Period shall be **five years** from the date of respective vesting or such other shorter period as may be decided by the Nomination & Remuneration Committee from time to time.
- (ii) Option Grantee/ Beneficiary shall be required to make an Exercise request by submitting an application/request to the Company for issue/ allotment of shares against vested options under the Plan, upon payment of applicable amount.
- (iii) Employee shall be required to pay the applicable amount (aggregate exercise price and applicable taxes) in full upon exercise of the vested options.
- (iv) The options can be exercised either in full or in part.
- (v) Exercise shall take place as per the time and place designated by the Administrator or the Company and by executing such documents as may be required under the applicable laws.
- (vi) A vested option shall be deemed to be validly exercised only when the Administrator or any other person authorized by the Administrator receives written and signed notice of exercise (Exercise Form) from the Option Grantee/ Beneficiary and a confirmation that the applicable amount has been received.

(b) Exercise Period in case of separations: Options can be exercised as per provisions outlined below:

S. No.	Separations	Vested Options	Unvested Options
1	Resignation/ termination (other than due to Cause)	May be exercised by the Option Grantee by the last working day with the Company.	Shall stand cancelled with effect from that date.
2	Termination due to Cause	Shall stand cancelled with effect from the date of such termination.	Shall stand cancelled with effect from the termination date.
3	Retirement	May be exercised by the Option Grantee within 24 months from date of retirement.	Shall stand cancelled as on the date of such Retirement.
4	Death	May be exercised by the Option Grantee's nominee or legal heir immediately	Shall vest immediately and may be exercised by the Option Grantee's nominee or

		after, but in no event later than 24 months from the date of Death.	legal heir immediately after, but in no event later than 24 months from the date of Death.
5	Permanent Incapacity	May be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such incapacity, the nominee or legal heir, immediately after, but in no event later than 24 months from the date of such incapacity.	Shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 24 months from the date of such incapacity.
6	Other reasons apart from those mentioned above	The Nomination & Remuneration Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

7.3 The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options.

8. Lock-in

8.1 The Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise.

9. Exit route in case of de-listing

9.1 If the Company gets de-listed from all the recognized Stock Exchanges, then the Board shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws.

10. Other Terms and Conditions

10.1 The Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a Shareholder in respect of Employee Stock Options granted,

- till Shares underlying such Employee Stock Options are allotted by the Company on exercise of such Employee Stock Option.
- 10.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 10.3 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 10.4 If the Company issues bonus shares or rights shares, the Option Grantee shall not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with clause 4.2 (v) of ESOP 2021.
- 10.5 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions in table under Sub-clause 7.2 (b) would apply.
- 10.6 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to exercise the Employee Stock Option except in the event of the death of the Option Grantee, in which provisions in table under Sub-clause 7.3 (b) would apply.

11. Taxation

- 11.1 The liability of paying taxes, if any, in respect of Employee Stock Options granted pursuant to this Plan and the Shares issued pursuant to exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder.

11.2 Miscellaneous

11.3 Inability to obtain authority

- The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful allotment and issuance of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of such inability.
- 11.4 The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with

- the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 11.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part.
- 11.6 Participation in ESOP 2021 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments are that of the Employee alone.
- 11.7 The Company shall bear all the costs of establishing and administering the Plan.
- 11.8 The Option Grantee shall comply with all the Applicable Laws, as well as any code of conduct or such similar policy or procedure or system formulated by the Board/ Committee and communicated from time to time.
- 11.9 This Plan constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings whether oral or written with respect to such subject matter.

12. Accounting and Disclosures

- 12.1 The Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options.
- 12.2 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features of the ESOP 2021 in the format as prescribed under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- 12.3 The Company shall disclose details of Grant, Vest, Exercise and Lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 or any other Applicable Laws as in force.
- 12.4 The Board/ Company shall make all the relevant disclosures in the Director's Report in relation to the Plan as are required under SEBI Regulations as and when it is applicable or other applicable laws.

13. Certificate from Secretarial Auditors

- 13.1 The Board shall at each Annual General Meeting place before the Shareholders a certificate from the Secretarial Auditors of the Company that the Plan has been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat

Equity) Regulations, 2021 and in accordance with the resolution of the Company in the General Meeting.

14. Governing Laws

- 14.1 The terms and conditions of the ESOP 2021 shall be governed by and construed in accordance with the Applicable Laws of India.
- 14.2 The Option Grantee agrees and acknowledges that the Option Grantee has received and read a copy of the Plan. The Options are subject to the Plan.

15. Notices

- 15.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2021 shall be in writing. The communications shall be made by the Company in any one or more of the following ways:
- (i) Sending communication(s) to the address of the Option Grantee available in the records of the Company; or
 - (ii) Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or
 - (iii) Emailing the communication(s) to the Option Grantee at the official email address provided, if any, by the Company to the prospective /existing Option Grantee during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

- 15.2 Any communication to be given by an Option Grantee to the Company in respect of ESOP 2021 shall be sent to the person at the address mentioned below or e - mailed at:

Designation	Ms. Ankita Agarwal, Company Secretary
Address	MITCON Consultancy & Engineering Services Limited 1st Floor, Kubera Chambers, Shivajinagar, Pune - 411005
Email	cs@mitconindia.com

16. Jurisdiction

- 16.1 The Courts in Pune, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2021.

17. Severability

- 17.1 In the event any one or more of the provisions contained in this Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Plan in which case the Plan shall be construed as if such invalid, illegal, or unenforceable provisions

had never been set forth herein, and the Plan shall be carried out as nearly as possible according to its original intent and terms.

18. Confidentiality

- 18.1 An Option Grantee must keep the details of the ESOP 2021 and all other documents in connection thereto strictly confidential. The decision and judgment of the Company regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Board shall have the authority to deal with such cases as it may deem fit.
- 18.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Plan or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.
